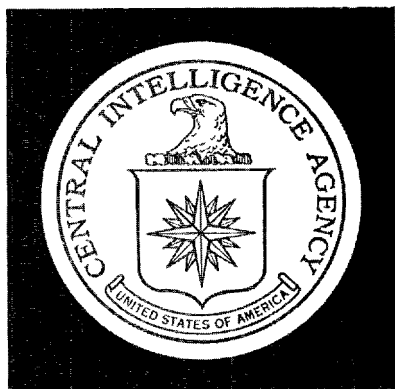


Top Secret

DIRECTORATE OF
INTELLIGENCE

MEMORANDUM

The Situation in Vietnam

OSD review
completed

State Department review
completed

NSA review
completed

Top Secret

8 January 1967

Page Denied

Information as of 1600
8 January 1967

25X1

HIGHLIGHTS

Additional details of the Viet Cong attack on the airstrip near Pleiku indicate that the enemy unit was the 407th Viet Cong Sapper Battalion. The unit succeeded in penetrating defense perimeters with satchel charges, severely damaged seven aircraft, and inflicted casualties of 12 killed and 63 wounded. Communist forces in the delta have remained elusive. In the northern part of the country, however, [redacted] intercepted messages indicate that the North Vietnamese 324B Division is again active in the eastern half of the DMZ and may be preparing for attacks on allied positions in northern Quang Tri Province.

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I. The Military Situation in South Vietnam: Allied forces have met little enemy resistance in the delta province of Kien Hoa as Operation DECKHOUSE V continues to sweep the area in search of Viet Cong troops, supply areas, training centers, and hospitals (Para. 1). Six Americans were killed and 61 wounded in the 7 January Communist attack on the US Army airfield near Pleiku (Paras. 2-3). A South Vietnamese Regional Force outpost was attacked yesterday by a company-size enemy force resulting in friendly casualties of 14 killed and 13 wounded (Para. 4). A total of 205 Communist suspects were apprehended as a result of a two-day sweep of villages in northern Thua Thien Province (Para. 6). A twenty-battalion search-and-destroy Operation named CEDAR FALLS has begun in Binh Duong Province (Para. 7). The 324B NVA Division has [redacted] assumed an attack posture in the DMZ (Paras. 8-11).

25X1

OSD review completed

i

25X1

II. Political Developments in South Vietnam:
Premier Ky, in response to press queries on two successive days, held out the possibility that his government would be willing to meet with the North Vietnamese for peace negotiations (Paras. 1-2). Ky also suggested that he would not agree to the seven-day Tet cease-fire as requested by the Viet Cong (Para. 3). Meanwhile, the Constituent Assembly is scheduled to hold a press conference on 10 January before meeting on the 11th to begin debate on the first draft of the constitution (Paras. 4-6).

III. North Vietnamese Military Developments:
There is nothing of significance to report.

IV. Other Communist Military Developments:
There is nothing of significance to report.

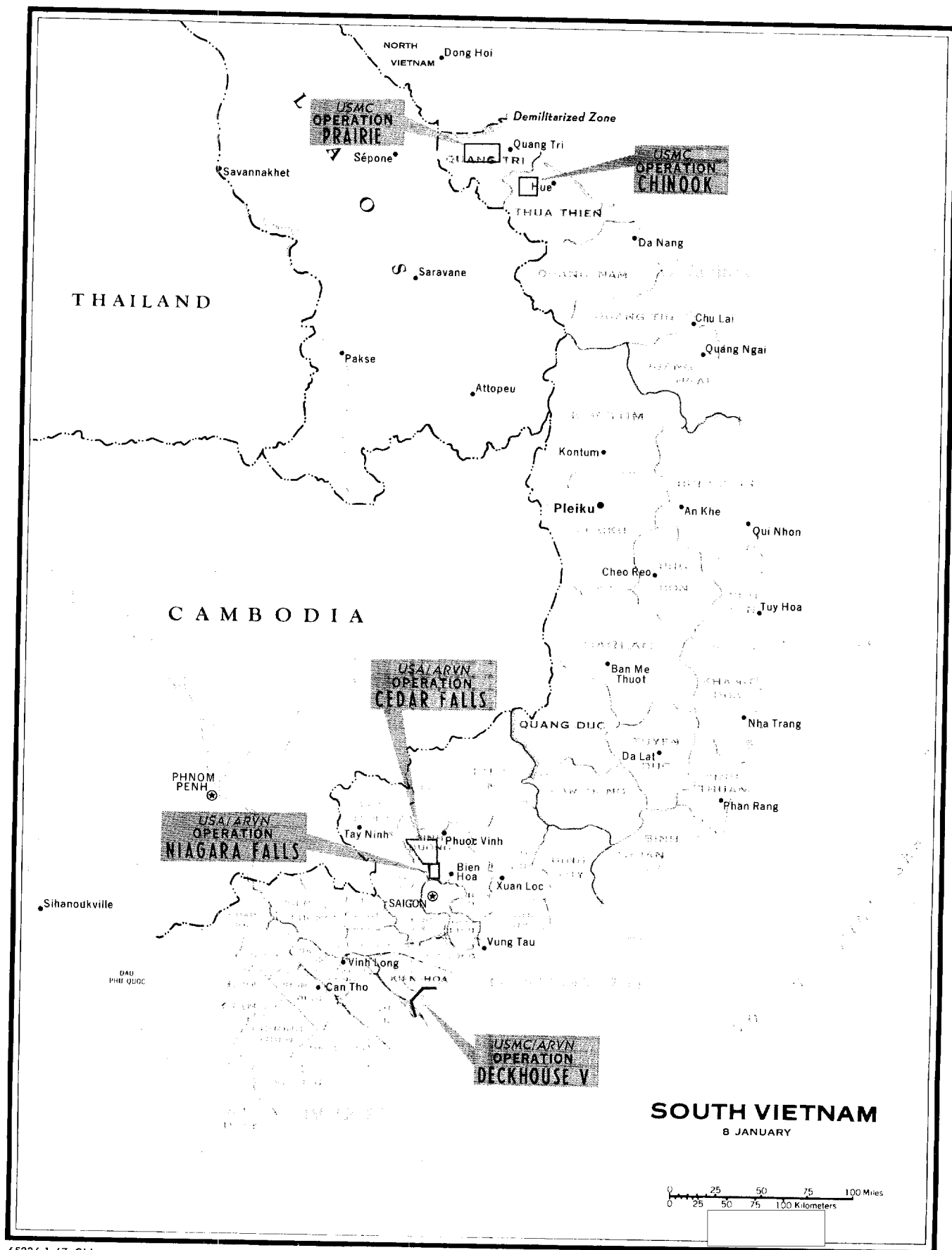
V. Communist Political Developments: Both the Communist press and French Foreign Ministry officials refrain from characterizing Mai Van Bo's 5 January press conference in Paris as a change in Hanoi's position on negotiations (Paras. 1-3). Head of North Vietnamese Army's Political Department, in a year-end wrap-up, underscores Hanoi's determination to continue the fighting (Paras. 4-5).

VI. Other Major Aspects: North Vietnam probably intends to extend standard gauge third rail line south of Kep to Hanoi (Paras. 1-3).

ANNEX

South Vietnam Battle Statistics
1963 through week of 25-31 Dec 66
--Weapons and Personnel Losses
--Viet Cong Attacks and Incidents

8 January 1967



I. THE MILITARY SITUATION IN SOUTH VIETNAM

1. US Marines have met practically no resistance in a sweep of what is believed to be a major Viet Cong base area in the Mekong Delta province of Kien Hoa. The three-battalion combined US/South Vietnamese force--engaged in Operation DECKHOUSE V--landed by sea and air on 6 January, but has encountered only occasional sniper fire since. The Viet Cong shelled a US Coast Guard cutter on 7 January causing minor damage but no casualties; the vessel was part of a flotilla of American gunboats patrolling the region in an effort to prevent guerrillas from escaping the allied dragnet.

2. Additional details have been received concerning the Communist attack of 7 January on the US Army airstrip at Camp Holloway, several miles east of Pleiku city. It was estimated that 207 82-mm. mortar rounds--a large number of them duds--were fired from ten positions. A penetration of the camp's perimeter resulted in the planting of satchel charges on aircraft and in the base supply area. The enemy unit has been identified as the 407th Viet Cong Sapper Battalion, a highly mobile 300-man force trained to spread terrorism and destruction.

3. Final casualty figures show 12 killed (six US) and 63 wounded (61 US). Of the 25 US aircraft damaged, seven received major damage. Several buildings were heavily damaged and 50,000 gallons of gasoline destroyed. Sporadic mortar fire hit the same installation on 8 January, but no further damage or casualties were reported.

4. Late on 7 January, an estimated company-size Communist force attacked a South Vietnamese Regional Force outpost about 130 miles northeast of Saigon in Quang Duc Province. The attackers used automatic weapons, small arms, and mortar fire against the outpost. A total of 20 enemy soldiers were killed and one prisoner captured. South Vietnamese losses included 14 killed, 13 wounded, and

8 January 1967

I-1

12 missing. The friendly unit lost 25 weapons and a radio, but recovered a variety of enemy mines, grenades, mortar rounds and a 30-caliber machine gun.

5. Twelve Communist soldiers were killed by US and South Vietnamese Army troops taking part in the four-day Operation NIAGARA FALLS which ended in Binh Duong Province on 7 January. In addition, 366 Communist suspects were detained. Two Americans were wounded; there were no ARVN casualties.

6. US Marines, taking part in search-and-destroy Operation CHINOOK in northern Thua Thien Province, apprehended 205 suspected Communists during a sweep of villages on 6 and 7 January. Nine members of a US Marine patrol were injured by a crude Communist mine on 7 January. Total enemy losses since this two-battalion operation began on 19 December are 162 killed, 463 suspects detained, and nearly 50 weapons seized. Cumulative American casualties are reported as four killed and 99 wounded.

7. A combined US Army and South Vietnamese Army (ARVN) search-and-destroy operation, codenamed CEDAR FALLS, began on 8 January in a large area in Binh Duong Province north of Saigon. Seventeen US and three ARVN battalions are participating in this operation which is designed to locate and destroy Communist military and political elements in this area. There are an estimated 1,500 Communist troops located within the area of this operation. Nine B-52 raids have been conducted in three days against the one-time Viet Cong sanctuary.

The 324B NVA Division Assumes An Attack Posture in the DMZ

8. A MACV analysis of 22 agent reports for the month of December indicates that as many as three North Vietnamese Army (NVA) regiments were again operating in the eastern half of the Demilitarized Zone (DMZ). These reports, together with other indicators, show that the 803rd and the 812th regiments of the 324B NVA Division and a third unidentified regiment--possibly the 90th Regiment--crossed the Ben Hai River

8 January 1967

in mid-December and established positions along the southern boundary of the six-mile-wide DMZ.

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The nine battalions of the 7,700-man 324B NVA Division are now considered combat effective and units of this division may be planning attacks against allied positions in northernmost Quang Tri Province in the near future.

10. The three regiments of the 341st NVA Division with a combined strength of 7,500 men are also considered to be fully combat effective and have been recently noted deployed in southernmost North Vietnam, with some elements observed in the DMZ.

11. The four-battalion US Marine force of search-and-destroy Operation PRAIRIE has continued to sweep the northern section of Quang Tri Province, but only light, sporadic contact with NVA forces has been reported recently.

8 January 1967

I-3

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II. POLITICAL DEVELOPMENTS IN SOUTH VIETNAM

1. In consonance with other world-wide expressions of willingness to work toward a negotiated settlement of the Vietnamese war, Premier Ky has offered to meet with North Vietnamese President Ho Chi Minh "anywhere and at any time." Ky's brief comment, upon which he did not elaborate, was given to newsmen in the city of Hue on 7 January, some 24 hours after he told reporters in Saigon that negotiations are coming nearer every day. Although his latest remarks appear more flexible than his public stand on the subject of negotiations in the past, they were made in the context of predictions that North Vietnam is moving closer to defeat in the war.

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Tet Cease-fire

3. During his impromptu press interview in Hue, Ky also rejected the National Liberation Front's request for a seven-day cease-fire over the Lunar New Year (Tet) holidays, beginning on 8 February. Ky hinted that the GVN may even

8 January 1967

II-1

25X1

[redacted]

withdraw its original call for a four-day truce in light of the 271 enemy violations during the Christmas and New Year standoffs. Ky's remarks, however, may not represent the final version of of the government's truce plan, and an official announcement will probably be forthcoming. The National Liberation Front's offer of a Tet cease-fire was broadcast on 1 January and was accompanied by a request from the Liberation Army's high command to comply with it.

Constituent Assembly Activities

4. The drafting committee of the Constituent Assembly has prepared the basic constitutional document for presentation to the deputies on 11 January. The process of hammering out the final version on the floor of the assembly will begin then. However, the government is expected to interject its views in one way or another on articles which it considers particularly disagreeable. [redacted]

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[redacted] a delegation from the ruling Directorate was scheduled to confer with the drafting committee on 7 January, presumably to set forth some of the Directorate's views on the constitution before it is debated.

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5. Among the controversial aspects of the constitution, over which the Directorate might try to exert its influence, are the role of the military in future elections, the question of elected province chiefs, and the arrangements for a transition to the newly elected government following the completion of the Constituent Assembly's work. According to US Embassy observers, the assembly apparently favors electing a president as soon as possible after promulgation of the constitution, whereas the Directorate hopes to lengthen the interim period as long as possible.

8 January 1967

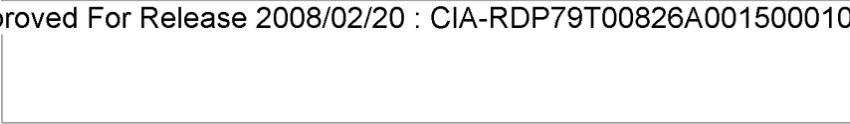
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6. If the Directorate fails to deter the assembly from writing objectionable clauses into the constitution, it can still rely on its power to revise the final assembly version of the draft document as stipulated by decree law 21/66. Most of the deputies agree that, because of their unique mandate from the people to write the constitution, the assembly should be the final arbiter of the document's wording. It appears that the assembly deputies will keep up pressure on the government for some form of compromise on its power of amendment. An assembly group has scheduled a press conference on 10 January to try once again to air this issue, according to the US Embassy.

8 January 1967

II-3


III. NORTH VIETNAMESE MILITARY DEVELOPMENTS

1. There is nothing of significance to report.

IV. OTHER COMMUNIST MILITARY DEVELOPMENTS

1. There is nothing of significance to report.

8 January 1967

III-IV - 1


25X1

V. COMMUNIST POLITICAL DEVELOPMENTS

1. The 5 January press conference of DRV representative in Paris, Mai Van Bo, continued to receive extensive publicity throughout the weekend. Unofficial Polish, Hungarian, and Soviet commentaries as well as the French Communist press avoided portraying Bo's remarks as any softening of Hanoi's position on negotiations, and concentrated on publicizing it as a typical example of DRV reasonableness in the face of continuing US "aggression."

2. French Foreign Ministry officials, in conversations with US Embassy officers on 6 January, tended to treat Bo's press conference with considerable caution. Although admitting on the surface that it appeared to be a more "encouraging" and "positive" representation of the DRV position on negotiations than other public statements, the Quai Indo-China chief was unwilling to evaluate the significance of Bo's remarks without a complete text of the press conference. The French official pointed out that Bo's only significant statement--that Hanoi might consider contacts with the US if the bombings were stopped unconditionally--was made in response to a question from the floor and was not a part of his prepared text. In addition to a complete transcript of the news conference, he said, it would be even more important to make sure that such a statement by Mai Van Bo was authorized by Hanoi. To date Hanoi has not commented publicly on Mai Van Bo's 5 January press conference.

3. The French official also pointed to public speeches by two other high-ranking Vietnamese Communists on the same day in the same city --the North Vietnamese and the Liberation Front delegates to the congress of the French Communist Party. The speeches of both of these delegates, said the French official, were stereotyped statements of the DRV position on negotiations

8 January 1967

V-1

and contained nothing which could be interpreted as a softening of the position of either Hanoi or the Front.

Another "Determined to Win" Speech by DRV Military Spokesmen

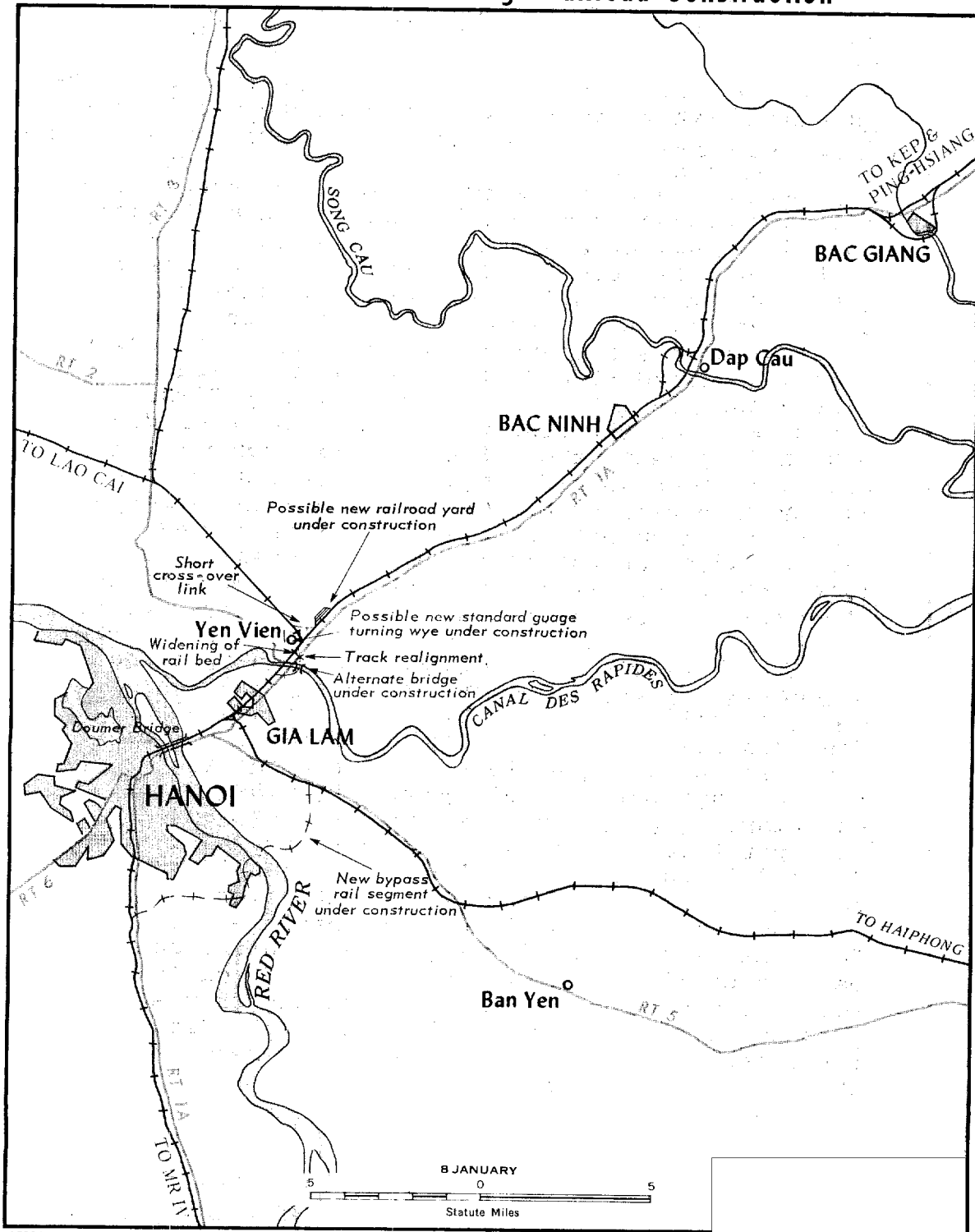
4. In another year-end wrap-up of the military situation, North Vietnamese Major General Song Hao, head of the army's political department, expressed Hanoi's determination to continue the fighting. As in other recent speeches by prominent Vietnamese leaders, however, there was considerable emphasis on the increasing hardships which the war is likely to pose for the Vietnamese people. Year-end speeches by First Party Secretary Le Duan and Defense Minister Vo Nguyen Giap combined this tone of inflexible determination to continue the war with relatively realistic assessments of current and future military difficulties, and Pham Van Dong also alluded to the possibility of harder times ahead in a 7 January speech at a heroes' congress.

5. Song Hao's article was published in the 5 December issue of the army journal, and was only recently received. Like Le Duan and Giap, Song Hao discussed difficulties along with propagandistic expressions of "determination to win," and reminded his people that US superiority in "techniques and weapons" made it imperative for the Vietnamese to try harder. He said it was necessary "to reject fanciful thoughts of winning victory without pains and sacrifices," and alluded to possible differences within the military establishment and between civilians and the military. He called for "unity of mind" among all segments of the population to subvert what he called the "imperialist policy of sowing dissension between the party and the army."

8 January 1967

V-2

HANOI AREA-Possible Standard Gauge Railroad Construction



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VI. OTHER MAJOR ASPECTS

1. Recent photography provides further evidence that the North Vietnamese intend to make their primary rail supply line from China standard gauge all the way to Hanoi by adding the third rail to existing meter-gauge track. This track improvement has probably already been completed between Ping-hsiang and Kep. If extended to Hanoi, standard-gauge equipment as well as meter-gauge trains will be able to travel to the DRV capital without transloading.

2. There are three projects under way that appear to be aimed at use of standard-gauge rolling stock below Kep. In the Yen Vien Yard, a turning wye is being constructed which will have a radius of about 720 feet, about the expected curve for a conversion to standard gauge. The tracks at a new yard under construction just north of Yen Vien apparently will be at least partly standard gauge, judging by the length of the ties observed on the ground. South of Yen Vien, the bed of one section of track is being widened and long ties were observed in the same vicinity. On another section of track--on the bypass around the bridge over the Canal des Rapides--two particularly sharp curves are being reduced.

3. Conversion of the Kep-Hanoi section of the line to dual gauge--if actually undertaken--will require some time to complete because of terrain difficulties.

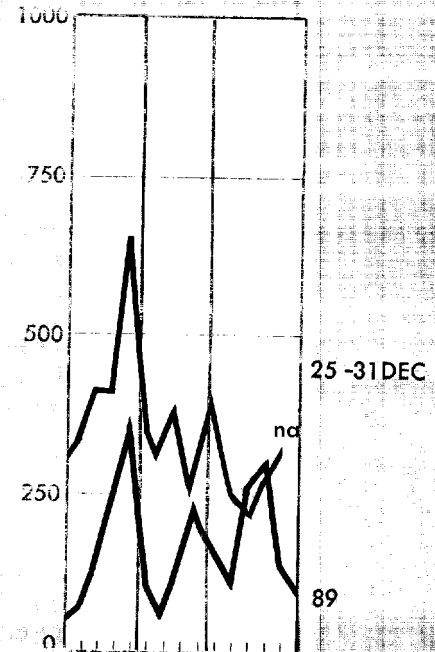
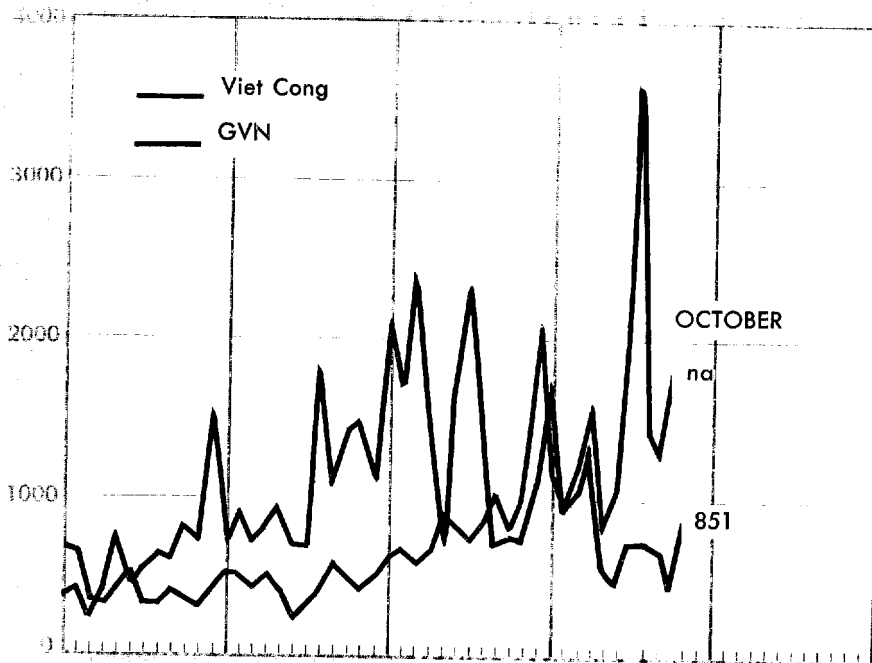
8 January 1967

VI-1

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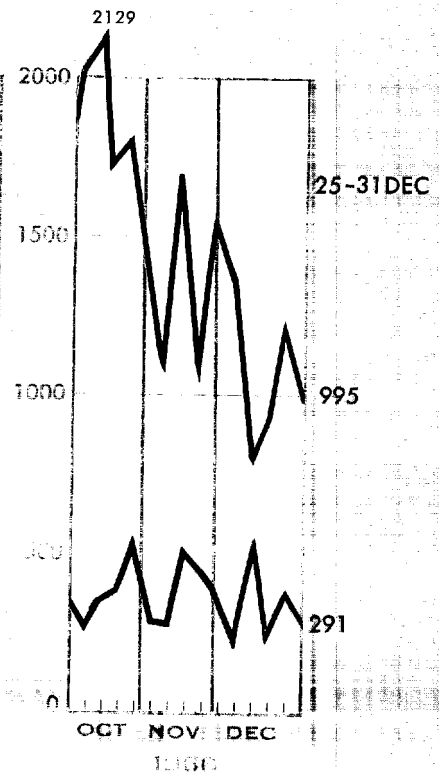
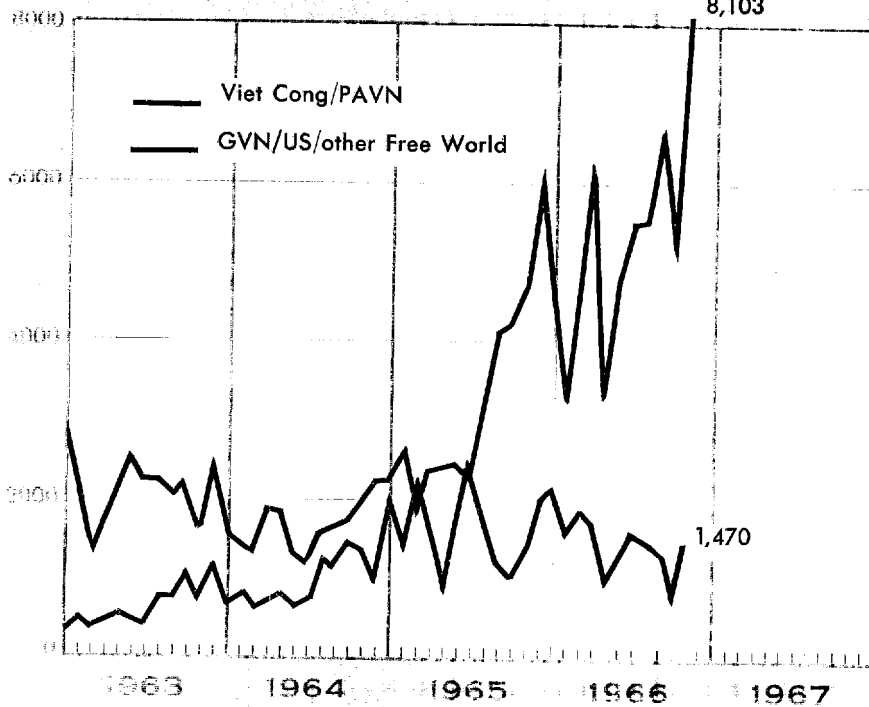
Weapons Losses

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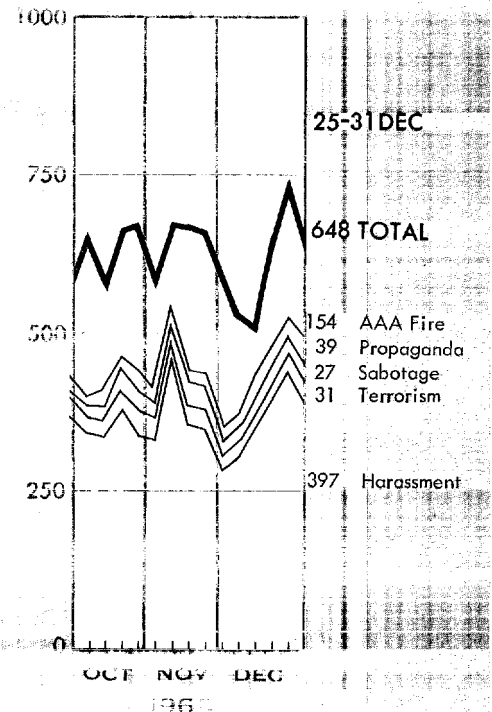
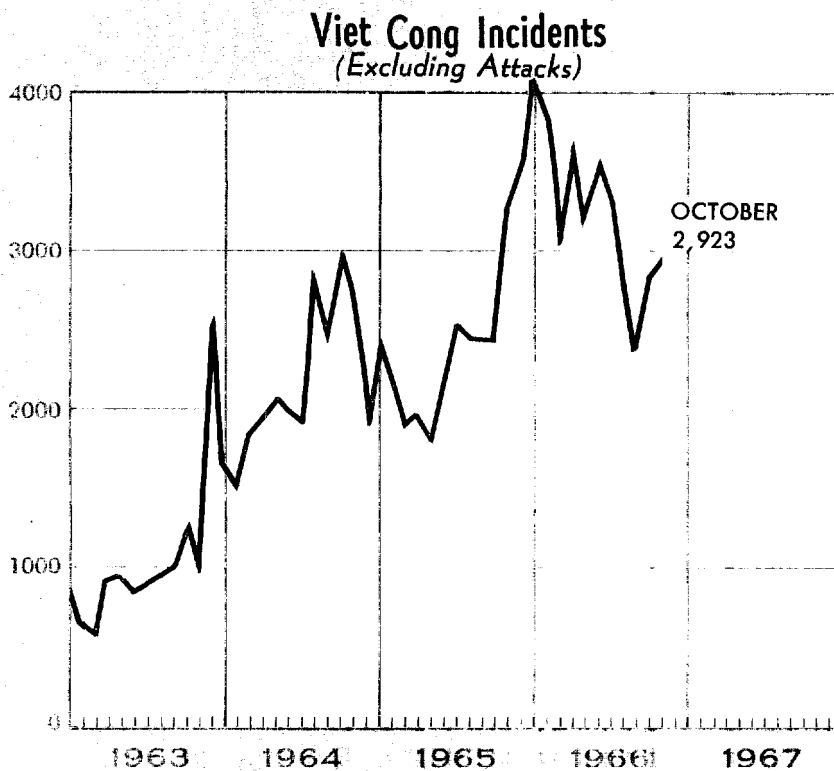
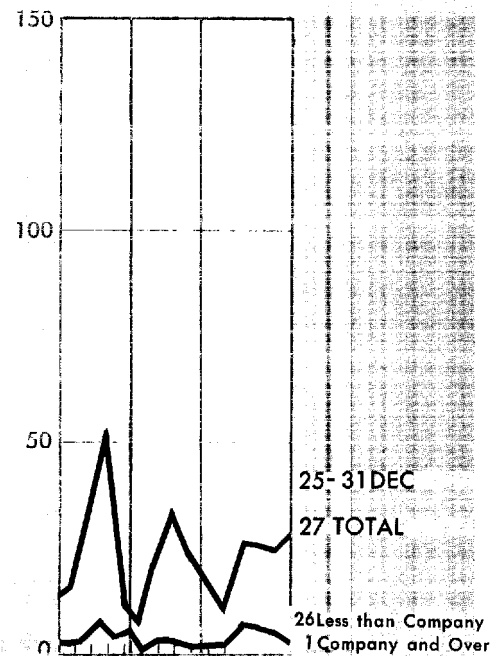
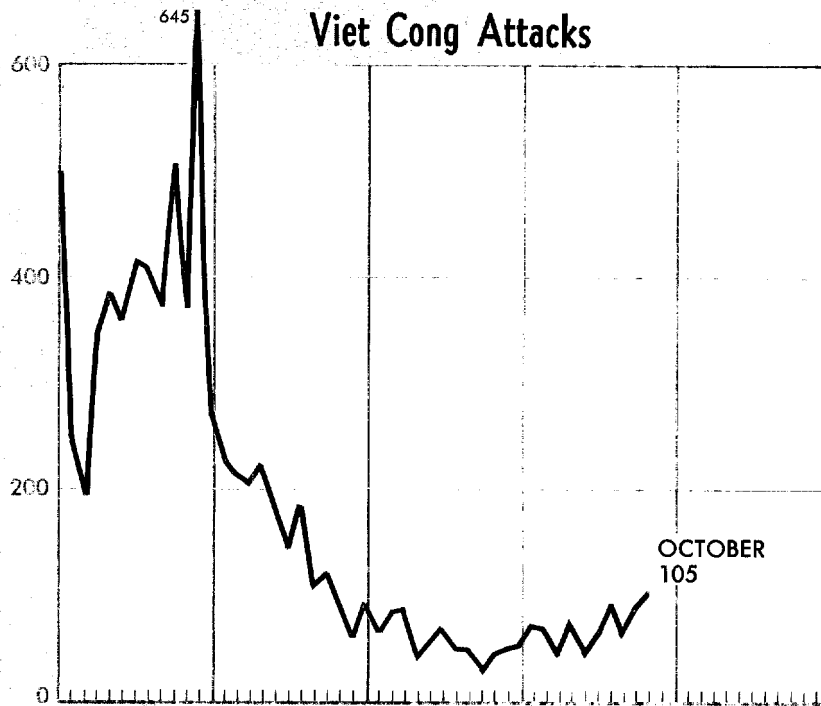
Personnel Losses (Excluding Wounded)

OCTOBER
8,103



US Casualties to Date: Killed 6,644 Wounded 37,738 Captured 96 Missing 378

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